

**Agencies Required to Describe Responses to
JLARC Study Recommendations**
January 2002 – January 2004
(by Agency)

Department of Community, Trade, and Economic Development (*Recommendations 1 - 3*)

Performance and Outcome Measure Review: Department of Community, Trade and Economic Development — This JLARC review looks at the performance measures associated with Washington's Department of Community, Trade and Economic Development's (CTED) Economic Development and International Trade Divisions. While JLARC finds that, overall, CTED has created a good performance measurement system, the study makes three recommendations to share best practices, communicate performance information, and establish targets based on external standards. (January 2004)

Department of Community, Trade, and Economic Development/Public Works Board (*Recommendations 2, 4 – 6*)

Conservation Commission (*Recommendations 2, 4 – 6*)

Department of Ecology (*Recommendations 2, 4 – 6*)

Interagency Committee for Outdoor Recreation (*Recommendations 2, 4 – 6*)

Department of Natural Resources (*Recommendations 2, 4 – 6*)

State Parks and Recreation Commission (*Recommendations 2, 4 – 6*)

Investing In The Environment: Environmental Quality Grant & Loan Programs Performance Audit — This JLARC-initiated study examines the performance of 12 capital budget-funded grant and loan programs that, together, fund over \$400 million in environmental quality projects during the 1999/01 Biennium. The audit reviews the performance of these programs from an investment perspective—a new way of examining the performance of such programs. Audit finds that many programs lack key features for fostering sound long-term environmental investments. Six recommendations to improve program investment performance and grant and loan services to local governments are made. (Report 01-1 and Follow-up Reports 01-9 and 03-3)

Department of Corrections (*Recommendations 2 – 5*)

Department of Corrections Community Supervision Study — This JLARC operational review evaluates the Department of Corrections' (DOC) implementation of the 1998 JLARC recommendations about community supervision, the 1999 Offender Accountability Act (OAA), and the risk-based model for classifying and supervising offenders in the community. The report makes five recommendations to the Department of Corrections to improve its administration and implementation of the Offender Accountability Act, and a sixth recommendation to DOC and the Institute for Public Policy to review the usefulness of the current Institute evaluation of the OAA. (Report 02-1)

Department of Ecology (*Recommendations 1- 5*)

Performance and Outcome Measure Review: Department of Ecology Case Study — This JLARC study assesses the Department of Ecology's performance measurement system, focusing on the measures themselves and the agency's use of those measures for both accountability and management purposes. Report has five recommendations aimed at areas for system improvements. (Report 03-9)

Department of Fish and Wildlife (*Recommendations 1 - 5*)

Fish Management Division: Activity and Cost Analysis — This study explores in detail the activities and expenditures of the Fish Management Division, one of four divisions within the Department of Fish and Wildlife's larger Fish Program. This JLARC review demonstrates how to apply an activity-based cost reporting system at the division level within state agencies. JLARC has also reviewed how the agency pays for this Division's activities, whether those activities are required, and how the agency and the Division assess the performance of these activities. Four of the study's recommendations should assist the Department of Fish and Wildlife as it works to apply its new activity-based cost system throughout the agency. A fifth recommendation is more specific to the Fish Management Division, directing the Department to work with the Office of Financial Management and the Legislature to reconcile three cases where state statutes, Fish and Wildlife Commission policies, and Fish Management Division activities and expenditures are not aligned. (Report 03-12)

Department of Fish and Wildlife *(Recommendation 2)*

Wildlife Damage Claims on Rangeland Sunset Review — 2001 legislation expanded a long-established program of public compensation for wildlife damage to private agricultural crops and extended such compensation to “*rangeland forage on privately-owned land used for grazing or browsing of domestic livestock.*” The rangeland provision is set to expire June 30, 2004. JLARC’s report makes three recommendations to the Legislature and Department of Fish and Wildlife: 1) to let the natural rangeland damage compensation program expire on June 30, 2004; 2) to direct the Department to convene a task force to draft proposed regulations to apply the general crop damage compensation program to hayfields and cultivated pasture grass; and 3) that if the Legislature wishes to continue to direct a portion of unspent crop damage compensation funds to matching grants for habitat enhancement on public land after June 30, 2004, the Legislature should create a workable funding mechanism in statute. **(January 2004)**

Department of Labor and Industries *(Recommendation 1)*

Performance and Outcome Measure Review: Vocational Rehabilitation Services to Injured Workers — This review of the Department of Labor & Industries’ (L&I) performance-based referral system for vocational rehabilitation services provided to injured workers looks at the performance measures used to monitor the quality and effectiveness of private vocational rehabilitation providers, and how those measures are used. JLARC found that L&I has not been in full compliance with a statutory mandate to make referrals based on quality and effectiveness to its providers of vocational rehabilitation services. The performance indicators in place largely do not measure quality and effectiveness, and L&I does not require these indicators to be used in making referrals. JLARC recommends L&I consider other approaches for promoting accountability over the allocation of resources to its vocational rehabilitation providers. **(Report 03-11)**

Department of Labor and Industries *(Recommendations 2-5, 7-10, 13-19, 22, 24, 27, 29-32)*

Workers’ Compensation System Performance Audit — In 1998, in response to a legislative mandate, JLARC conducted a broad performance audit of Washington’s Workers’ Compensation System. That audit found that Washington’s Workers’ Compensation System is particularly efficient, in that it provides a relatively high level of benefits to injured workers at a relatively low cost. However, the report also found many areas that could be improved. In light of the recent trend toward substantially higher workers’ compensation premiums in Washington (and nationally), JLARC decided to revisit the recommendations of the audit. This follow-up to the 1998 performance audit found that Washington’s Workers’ Compensation System still offers higher than average benefits at lower than average costs. However, many of the recommendations of the 1998 audit, which potentially could improve the operation of the system, remain unimplemented. Washington’s system, moreover, does not put its highest emphasis on returning injured workers to employment. **(Report 98-9 and Follow-up Report 03-10)**

Department of Social and Health Services

Division of Developmental Disabilities *(Recommendation 2)*

Division of Developmental Disabilities: Caseload and Staffing Issues Interim Report — The 2001-2003 Biennial Operating Budget mandated this JLARC study of field-based staffing issues in the Developmental Disabilities Division of DSHS. JLARC was directed to review the reliability of the caseload and staff numbers driving a 2001-03 budget request for a substantial increase in case managers. The key finding of the report: the Division does not have reliable information about its caseloads and staffing—the Legislature cannot rely upon the Division’s information for decision-making. The report recommends that the Division take immediate steps to ensure that only eligible clients are on its caseload and that DDD submit a plan to the Legislature to develop and implement practices and controls to ensure it can monitor its caseloads. **(Report 02-3)**

Department of Social and Health Services

Division of Mental Health *(Recommendations 2 – 4, 9, 10, 11-4, 14)*

Mental Health System Performance Audit — This broad performance audit of Washington’s public mental health system includes the roles and responsibilities of the different organizations involved, the cost and outcomes of mental health services, and the allocation of funding to the 14 county-operated Regional Support Networks (RSNs). JLARC’s report makes 14 recommendations to improve the coordination of services; to improve the consistency of data collected; to reduce process-oriented accountability activities; to establish a system of measuring outcomes; to increase equity in the distribution of funding; and to promote practices to provide services in a cost-effective manner. **(Report 00-8 and Follow-up Reports 01-7, 03-2, and 04-1)**

Department of Social and Health Services (*Recommendation 1*)

Mental Health Division (*Recommendations 2, 4*)

Office of Superintendent of Public Instruction (*Recommendation 4*)

Children's Mental Health Study — The 2001-03 Biennial Operating Budget directs JLARC to study children's public mental health services in Washington State. This study reviews whether legislative intent has been fulfilled concerning the coordination of children's mental health planning and activities, and the implementation of the Early Periodic Screening, Diagnosis and Treatment (EPSDT) program. The study makes five recommendations relating to: improving coordination and efficiency within DSHS; improving cost, service, and outcome information; updating the state EPSDT plan; improving coordination between DSHS and the Office of Superintendent of Public Instruction; and updating statutes to reflect the Legislature's interest in having accurate and reliable cost, service, and outcome information about children's mental health services. **(Report 02-5)**

Department of Social and Health Services (*Recommendations 1- 3*)

Performance Audit of the Division of Developmental Disabilities — This JLARC performance audit of the Division of Developmental Disabilities (DDD) reviews information used to make comparisons between case management levels in Washington and other states, provides additional information on the public benefits used by DD clients, and takes an in-depth look at the use of federal Medicaid funds. The report also evaluates those state-to-state comparisons on case management levels used by DDD to compare itself unfavorably to other states and concludes that such comparisons are invalid. The "package" of public benefits is further analyzed which illustrates that DDD services account for only two-thirds of the public resources utilized by DDD clients. The report proposes three recommendations to improve the overall management of this program area. **(Report 03-6)**

Department of Social and Health Services (*Recommendations 1, 3, 4, 5*)

Washington Medicaid Study — JLARC's recent performance audits of the Mental Health and Developmental Disabilities Divisions within the Department of Social and Health Services (DSHS) highlighted the dominant role of Medicaid, and federal requirements, in setting the policy directions and operations of this state agency. This report takes that comprehensive perspective to examine the range of Medicaid's involvement in Washington's overall biennial budget and, especially, Medicaid's dominance over the budget and policy decisions in DSHS. Programs, policies, federal directives, client populations, and management issues are surveyed and reviewed. JLARC makes five recommendations to: strengthen the oversight of the decentralized management of the program; improve key data systems to support a comprehensive view of the program; extend a comprehensive view of the program to its fiscal management by rigorously reviewing approximately \$5 billion in biennial Medicaid expenditures for cost containment opportunities; and assess the best techniques for understanding future caseload patterns. **(January 2004)**

Employment Security Department (*Recommendations 1 - 4*)

Performance and Outcome Measure Review: Employment Security Department — JLARC reviews the performance measures associated with the Employment Security Department's return-to-work efforts, examining both the measures themselves and how the agency uses them to conduct its business. After acknowledging that the Department is in the process of implementing a new performance measurement system, JLARC makes four recommendations to develop clear roles and responsibilities, include staff in developing measures, establish meaningful targets, and communicate performance information. **(January 2004)**

Office of Financial Management (*Recommendations 1, 3, 4, 5*)

Office of the Governor (*Recommendation 2*)

Capital Budget Staffing and Administrative Costs Study — The 2001-03 capital budget directs JLARC to study the staffing and administrative costs associated with developing and implementing capital projects and programs. This report identifies the estimated number of full-time equivalent staff (FTEs) and administrative costs funded from the capital budget, including costs paid for with long-term debt-financed funds (i.e. bonds and Certificates of Participation). JLARC's study also reviews capital budgeting policies, expenditure reporting requirements, and oversight mechanisms. The report makes five recommendations to clarify policies and instructions regarding allowable staffing and administrative costs charged to the capital budget, and to improve the reporting and monitoring of staffing and administrative costs in the state's accounting and reporting system. **(Report 02-10)**

Office of Financial Management (*Recommendations 2 - 3*)

Higher Education Facility Preservation Study — The 2001 Legislature directed this JLARC study of higher education facility preservation because of an inability to accurately understand the extent of facility preservation backlog at our public higher education institutions. JLARC's proposed final report provides information about the amount, types, ages, conditions, and maintenance and repair backlogs at the six public universities and 34 community and technical colleges and also reviews state budgeting practices with respect to facility preservation efforts. The report also proposes recommendations aimed at creating an accountability framework for tracking facility conditions, preservation backlogs, and institutional preservation expenditures; establishing clear state-level higher education facility preservation budgeting policies; and examining a capital budget mechanism to address preservation backlog reduction funding policies. (**Report 03-1 and Follow-up Report 03-8**)

Office of Superintendent of Public Instruction (*Recommendations 4 - 6*)

K-12 Special Education Study — The 2001 study of K-12 Special Education, which was mandated by a proviso in the 2000 Supplemental Budget, found that information necessary to understand the linkages among Special Education funding, spending, educational services provided to students, and educational results is largely missing or unavailable at the statewide level. The report made six recommendations aimed at addressing these concerns. These recommendations focus on improving accountability for special education programs and student performance and clarifying the reporting of Special Education revenues and expenditures. In addition to the recommendations of the report, the JLARC Committee adopted an addendum to the report reinforcing its recommendations and requesting the Office of Superintendent of Public Instruction (OSPI) provide a follow-up report to JLARC. (**Report 01-11 and June 2003 Follow-up Report**)

Washington School for the Deaf (*Recommendation 2*)

Washington School for the Deaf Board of Trustees (*Recommendation 1*)

Office of Financial Management (*Recommendations 1, 3*)

Washington School for the Deaf: Capital Facilities Study — The 2001 Operating Budget directs JLARC to review capital facilities planning at the Washington School for the Deaf (WSD). The review was done in conjunction with an educational service delivery study conducted by the Institute for Public Policy and presented to JLARC in August. While the JLARC study finds some commendable aspects of the School's capital planning process, it also finds that WSD has yet to incorporate some key information into its capital planning, namely, the school's long-term decline in enrollment and a cost analysis of legitimate alternatives for developing the campus. JLARC's report includes three recommendations aimed at taking additional steps for capital facilities planning at the School. (**Report 02-8**)

Washington Utilities and Transportation Commission (*Recommendations 1- 4*)

Oversight and Review of Washington's Pipeline Safety Office — In response to a June 1999 pipeline explosion in Bellingham, the 2000 Legislature expanded the authority of the Utilities and Transportation Commission (UTC) to develop and implement a comprehensive hazardous liquid pipeline safety program [C 191 L 00, ESHB 2420]. In 2001, the Legislature directed the Joint Legislative Audit and Review Committee to conduct a review of the expanded program. The five study objectives include: describing the regulatory framework for pipeline safety, comparing the Washington pipeline safety program with activities in other states, reviewing the UTC pipeline mapping activities, identifying inspection workload indicators, and evaluating the inspection fee methodology. The report makes four recommendations to focus the inspection process more on risk by identifying and integrating best practices, integrate the pipeline mapping system with other emergency preparedness efforts, and base inspection fees on actual staff workload. (**Report 03-5**)

Note: JLARC report numbers track to the year the report was issued. Thus, Report 03-5 is the fifth report of 2003, 02-1 is the first report of 2002, and so forth. JLARC reports are listed only in chronological order on its Web site: <http://jlarc.leg.wa.gov>.